

Before

Rex H. Wiant

Fact Finder

*****)

In the matter of fact finding between:)

Adair County Secondary Roads Department)

and)

International Brotherhood of Teamsters)

Local #147)

Iowa PERB # CEO #710/ Sector 1

For the Employer:

Renee Von Bokern, Chief Spokesman and Consultant

Rich Dolan, County Supervisor

Dick Hoodley, County Supervisor

Bob Grady, County Supervisor

Marvin Ford, County Supervisor

Nick Kaufman, County Engineer

For the Union:

Michael Stanfill, Chief Spokesman and Business Agent

Bo Beatty, Member

Terry Nunley, Member

Jurisdiction:

The Parties selected Rex H. Wiant from a list provided by the Iowa Public Employment Relations Board. A hearing was held on May 20, 2004 at the Adair County Courthouse in Greenfield, Iowa. Both sides presented witnesses and argument. All evidence was subject to cross examination. At the conclusion of the hearing the parties opted to present final arguments and the hearing was declared closed.

RECEIVED
2004 JUN -7 AM 11:09
PUBLIC EMPLOYMENT
RELATIONS BOARD

Background:

Adair county (hereinafter the "Employer") is in southwest Iowa. Agriculture is the primary industry. Nearly all other businesses in the county have some connection to agriculture. The Employer operates a Secondary Roads Department under the direction of a County Engineer. The 24 employees of the Secondary Roads Department have been represented by the International Brotherhood of Teamsters (herein the "Union") since 1985. The Parties have been to Fact Finding only once before in 2001. The Parties have completed the required opening sessions, negotiations and mediation to reach this point.

While the Iowa Code does not specify standards for Fact Finders to use in their recommendations, there is a tradition that Fact Finders use the standards set for Impasse Arbitrators in Section 20.22, Iowa Code. Those four standards are: Past agreements, Comparability, Power to levy taxes and Inability to pay. All four standards were reviewed by the undersigned in this decision. In this case the first three are the most important.

Both sides presented similar comparability groups. Both used surrounding counties and similar statewide population. The similar statewide population (sometimes called 5 Up/5 Down) is of little value to this Fact Finder because it is too diverse. At the hearing the Fact Finder states that he doubts that the Employer had ever lost an employee to the Worth County Roads Department due to wages. The surrounding counties are a far better group to focus on for this decision. The groups were similar. Both sides included the following:

<u>County</u>	<u>Population</u>
Cass	14,684
Madison	14,019
Union	12,309
Audubon	6,830
Adams	4,482
Adair	8,243

The Union included Dallas County, population 40,750, in this group and the Employer included Clarke, population 9,133. The Fact Finder does not believe that either is comparable. Dallas County is part of the Des Moines Metropolitan area and is the sixth fastest growing county in the United States. Clarke County is also a poor comparison because its economy is much more diversified than Adair County's economy.

The Fact Finder believes that the five counties both sides included in their comparability groups are the benchmark from which to measure.

Findings of Fact:

The Parties presented three issues at the hearing. They are: Wages, Insurance and Sick Leave. The Employer filed a request for a negotiability dispute over the following paragraphs on May 26, 2004:

Article 16. Sick Leave

1. On July 1 of each year, for earned sick leave days in excess of ninety-five (95) days that the employee has in the sick leave bank, the employee will be paid one-fifth (1/5) of the excess. Example: Employee has 110 days in the sick leave bank on a July 1 date. Divide 15 by 5 and on July 1 pay the employee for three (3) days.
2. Upon retirement, if the employee qualifies for IPERS retirement benefits, the employee will be paid thirty percent (30%) of his/her accumulated sick leave.

At the writing of these Recommendations the Fact Finder has not heard from the Iowa Public Employment Relations Board, so he will make Recommendations in this issue.

Issue 1. Wages

Employer Position: No Change.

Union Position: 4% increase across the board (ACB).

Discussion: Limited settlement data was presented by the parties. That data that was presented indicates two groups: one is a pay freeze group and the second is in the 3-3.5% increase range.

The Fact Finder has been working in this capacity for over ten year. In that time he has heard many numbers from employers and unions. The one that caught his attention in this dispute is the re-evaluation of property has resulted in a loss of approximately \$130,000 in taxes to the Employer. To a County like Johnson, Polk or even Dallas \$130,000 can be made up or worked around but in a small county like Adair it is real money that has been lost.

The Fact Finder remembers the 1970's and early 1980's when land values went crazy. Experts told farmers they had to get bigger. They bid the price of land to record levels. Many bought out their neighbors and tore out the fences so they plow longer rows. The bubble burst and land values have returned to more realistic levels. Economists would argue that demand is down and supply is up resulting in lower prices. It takes time to re-evaluate land and the lower prices have worked their way through the tax pipeline. From a practical standpoint, the Board of Supervisors does not have the option of raising the millage rate to make up the difference.

The question remains what should be the wage rate increase. Some neighboring counties and union have agreed to a pay freeze. The Fact Finder believes that should be recommended in only the most dire circumstances. He believes that a 1.5% ACB is appropriate in this case. First it is the same as other groups (bargaining and non-bargaining) in the County. Second it is a small amount to reward productivity increase. While it is not logical to think employees can physically work harder year after year, they can be expected to work smarter. They need to use their experience to be more efficient. This County is not just their Employer but it is also where they live. Employees have an interest that the County be fiscally sound. While 1.5% is lower than the statewide average, it is a measure of reality.

Fact Finder's Recommendation: 1.5% ACB.

Issue 2. Insurance

The current contract language follows:

Effective July 1, 2003, the Alliance Select 750 plan-Plan 9 will be in effect. The Employer retains the right to select the insurance carrier and will remain equal to or better than the benefit coverage levels in effect on July 1, 2003. For coverage under Plan 9, the Employer will pay the single coverage monthly premium for a regular full-time employee. If a regular full-time employee elects to have coverage for his/her dependents, the employee will pay no more than one hundred thirty (\$130) toward the dependant coverage monthly premium.

For the contract year July 1, 2003 – June 30, 2004, employees may elect to remain on Plan 5 by paying fifty two dollars (\$52.00) per month of the single premium and two hundred seventy two dollars (\$272.00) of the family premium.

Employees are responsible for all deductible, co-insurance, and out-of-pocket maximums.

The Employer will pay the single and dependant coverage Dental Insurance premiums.

Employer Position: Article to read as follows:

Effective July 1, 2004, the Alliance Select 1000—Plan 11 will be effective. The Employer retains the right to select the insurance carrier and will maintain equal to or better than the benefit coverage levels in effect on July 1, 2004. The Employer will pay the single coverage monthly premium for a regular full-time employee. If a regular full-time employee elects to have coverage for his/her dependants, the employee will pay no more than one hundred thirty (\$130.00) toward the dependant monthly premium.

Employees are responsible for deductibles of \$1000 for single coverage and \$2000 for family coverage and all co-insurance and out-of-pocket maximum.

Union Position: No change:

Discussion: The Parties just changed insurance one year ago for their current contract. Changing health insurance every year is not a good idea. Changes should be made only after careful study. Normally changes are made after a minimum of three years and preferably five years. This will allow a sound usage record to be established. Without that record what looks like a good deal now could easily turn into a disastrous deal later.

Another way to say this is that the Employer is being penny wise and pound foolish. They may save money this next year but the long term costs will certainly be higher.

The Employer's proposal is that they will buy Plan 11 but have the deductibles of Plan 10. It is not clear that the insurance carrier will allow such a change. Finally it is not clear if the dental insurance is to be deleted. It is not part of the Employer proposal but was not mentioned at the hearing.

The Parties would be far better off sticking with their current coverage for two more years. They need to examine the usage and be willing to explore creative solutions to the health insurance issue.

Fact Finder's Recommendation: The Union Position.

Issue 3. Sick Leave

Employer Position: Delete paragraphs 12 and 13 as permissive subjects of bargaining.

Union Position: No change.

Discussion: Very little evidence was presented on this issue. The Employer filed with the Public Employment Relations Board for an Expedited Negotiability Ruling. As the Fact Finder is writing his recommendations no ruling has been made.

Whether the language is permissive or not, the parties freely bargained the language. They came to the table and worked out what they thought would be a fair arrangement. The Employer now, for no stated reason, wishes to remove the language. Because little evidence was presented the Fact Finder recommends that it be retained for the new agreement.

If PERB removes the language as permissive then the Union should receive some economic compensation for the removal.

Fact Finder's Recommendation: The Union Position.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rex H. Wiant", written over the word "Sincerely,".

Rex H. Wiant

Fact Finder

Dated on June 3, 2004

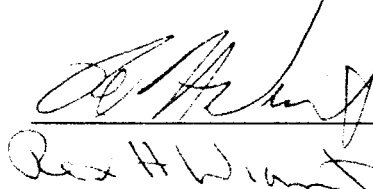
CERTIFICATE OF SERVICE

I certify that on the 3rd day of June, 2004, I served the foregoing Report of Fact Finder upon each of the parties to this matter by (_____ personally delivering) (X mailing) a copy to them at their respective addresses as shown below:

Renee Van Buren
2771 1st St SE
Urbandale IA
50322

Mike Starfield
Tennison 147
2425 Delaware
Des Moines IA 50317

I further certify that on the 3rd day of June, 2004, I will submit this Report for filing by (_____ personally delivering) (X mailing) it to the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, IA 50309.


Rex H. Wiant Fact-Finder
(Print name)

RECEIVED
2004 JUN -7 AM 11:09
IOWA PUBLIC EMPLOYMENT
RELATIONS BOARD